

Nonresident Withholding Exemption Certificate

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(For use by individuals, corporations, partnerships, limited liability companies, estates, trusts, tax-exempt entities and nonprofit organizations)

590

File this form with your withholding agent.

Vendor's Name _____

Address (number and street) _____

Daytime telephone number _____

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City _____

State _____

ZIP code _____

Complete the appropriate line: Individuals – Social security number _____ ☐ Married ☐ Single

Corporations – California corporation number (issued by Secretary of State) or F.E.I.N. _____

Partnerships, Estates, Irrevocable Trusts and Tax-Exempt Entities – F.E.I.N. _____

Limited Liability Company – Secretary of State file number _____

Note: Failure to provide your identification number will render this certificate void.

To _____

(Withholding Agent or Payer)

Certificate of Residency — Individuals: Under penalties of perjury, I hereby certify I am a resident of California and I reside at the address shown above. Should I become a nonresident at any time, I will promptly inform you. See Side 2 for the definition of a resident.

Signature _____ Date _____

Certificate of Residency of Deceased Person — Estates: Under penalties of perjury, I hereby certify as executor of the above-named person's estate, the decedent was a California resident at the time of death.

Name of executor (type or print) _____

Signature _____ Date _____

Corporations: Under penalties of perjury, I hereby certify that the above-named corporation has a permanent place of business in California at the address shown above or is qualified to do business in California. Should this corporation cease to have a permanent place of business in California or be qualified to do business in California, I will promptly inform you. See Side 2 for the definition of permanent place of business.

Name and Title (type or print) _____

Signature _____ Date _____

Partnerships: Under penalties of perjury, I hereby certify that the above-named partnership has a permanent place of business in California at the address shown above, and that it is subject to the laws of California. I further certify that the partnership will file California returns and withhold on foreign and domestic nonresident partners when required. Should the partnership cease to do any of the above, I will promptly inform you.

Name and Title (type or print) _____

Signature _____ Date _____

Limited Liability Companies (LLC): Under penalties of perjury, I hereby certify that the above-named LLC has a permanent place of business in California at the address shown above, and that it is subject to the laws of California. I further certify that the LLC will file California returns and withhold on foreign and domestic nonresident members when required. Should the LLC cease to do any of the above, I will promptly inform you.

Name and Title (type or print) _____

Signature _____ Date _____

Tax-Exempt Entities and Nonprofit Organizations: Under penalties of perjury, I hereby certify that the above-named entity is exempt from tax under California or federal law. Should this entity cease to be exempt from tax, I will promptly inform you.

Name and Title (type or print) _____

Signature _____ Date _____

Irrevocable Trusts: Under penalties of perjury, I hereby certify that at least one trustee of the above-named irrevocable trust is a California resident. Should the trustee become a nonresident at any time, I will promptly inform you.

Name and Title (type or print) _____

Signature _____ Date _____

For Privacy Act Notice, see form FTB 1131 (individuals only).

Instructions for Form 590

Nonresident Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

A Purpose of Form

Use Form 590 to obtain an exemption from withholding. Complete and present Form 590 to the withholding agent. The withholding agent will then be relieved of the withholding requirements if the agent relied in good faith on a completed and signed Form 590.

Do not use Form 590:

- if you are a seller of California real estate. Sellers of California real estate should use Form 590-RE, Nonresident Withholding Exemption Certificate for Real Estate Sales;
- if you are a domestic (nonforeign) nonresident partner or member. Domestic (nonforeign) nonresident partners and members should use Form 590-P, Nonresident Withholding Exemption Certificate for Partners and Members; or
- to obtain a waiver from wage withholding that is administered by the Employment Development Department under the Employment Insurance Code.

B Law

R&TC Section 18662 and the related regulations, require withholding of income or franchise tax on payments of California source income made to nonresidents of this state.

Withholding is required on:

- payments to nonresidents for services rendered in California;
- distributions of California source income made to domestic nonresident partners and members and allocations of California source income made to foreign partners and members;
- payments to nonresidents for rents if the payments are made in the course of the withholding agent's business;
- payments to nonresidents for royalties for the right to use natural resources located in California;
- distributions of California source income to nonresident beneficiaries from an estate or trust; and
- prizes and winnings received by nonresidents for contests in California.

For more information on withholding and waiver requests, get FTB Pub. 1017, Nonresident Withholding – Partnership Guidelines, and FTB Pub. 1023, Nonresident Withholding – Independent Contractor, Rent and Royalty Guidelines. To get a withholding publication, call the Withhold at Source Unit at (916) 845-4900.

C Who Can Execute This Form

Form 590 can be executed by:

- residents of California;
- California estates. (For withholding purposes, an estate is considered a California estate if the decedent was a California res-

ident at the time of death. Distributions of California source income to nonresident estates are subject to withholding.);

- corporations that are qualified to do business in California or have a permanent place of business in California;
- partnerships that have a permanent place of business in California. (For more information get FTB Pub. 1017);
- LLCs that have a permanent place of business in California;
- organizations that are exempt from tax under either California or federal law; or
- California trusts. For withholding purposes, an irrevocable trust is considered a California trust if at least one trustee is a California resident. Irrevocable trusts are required to withhold on distributions of California source income to their nonresident beneficiaries.

Note: This applies only to irrevocable non-grantor trusts. Irrevocable trusts cannot be revoked by the grantor. The grantor is the person(s) who transferred (granted) assets to the trust. An irrevocable trust is also called a non-grantor trust because the trust **does not** have a provision to allow the grantor to revoke the trust. A revocable or grantor trust **does** have a provision allowing the grantor to revoke the trust and take back the assets. The grantor of a grantor trust shall be treated as the vendor by such a trust. Therefore, if the vendor is a revocable or grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors of a revocable or grantor trust are residents, no withholding is required.

D Who is a Resident

The term "resident" includes every individual who is in California for other than a temporary or transitory purpose and, any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose. This does not apply if an individual has income from stocks, bonds, notes or other intangible personal property in excess of \$200,000 in any taxable year in which the employment-related contract is in effect.

A spouse who is absent from California for an uninterrupted period of at least 546 days to accompany a spouse under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes

to perform a particular contract of short duration will be considered a nonresident. For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, or call the appropriate toll-free telephone number listed below:

From within the United States, call 1-800-852-5711
From outside the United States, call 1-916-845-6500
For hearing impaired with TDD, call 1-800-822-6268

E What is a Permanent Place of Business

A corporation has a permanent place of business in this state if it is organized and existing under the laws of this state or, if it is a foreign corporation qualified to transact intrastate business by the California Secretary of State's Office. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in this state only if it maintains a permanent office in this state that is permanently staffed by its employees.

F Withholding Agent

Keep Form 590 for your records. Do not send this form to the Franchise Tax Board (FTB) unless it has been specifically requested by the FTB. If the withholding agent has received Form 594, Notice to Withhold Tax at Source, and the vendor completes Form 590 indicating that they are not subject to withholding, send a copy of Form 590 along with Form 594 to the FTB. For more information, contact:

**Franchise Tax Board
Withhold at Source Unit
P.O. Box 651
Sacramento, CA 95812-0651
Telephone: (916) 845-4900
FAX: (916) 845-4831**

The vendor must notify the withholding agent if:

- the individual vendor becomes a nonresident;
- the corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California;
- the partnership ceases to have a permanent place of business in California;
- the LLC ceases to have a permanent place of business in California; or
- the tax-exempt entity loses its tax-exempt status.

The withholding agent must then complete Form 592, Nonresident Withholding Annual Return and Form 592-B, Nonresident Withholding Tax Statement, and withhold the tax at source.